



LEGISLATIVE FISCAL OFFICE



STATE OF ALABAMA

LEGISLATIVE FISCAL OFFICE

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Members of the Alabama Legislature:

This booklet was prepared by the Legislative Fiscal Office to provide members of the Alabama Legislature with general budgetary information concerning selected state agencies, recent pay raises for state employees and teachers, recent proration history for the Education Trust Fund and the State General Fund, appropriation totals for fiscal year 2006-07, and bonded indebtedness of the State of Alabama.

It was designed to be a quick reference guide for the membership concerning frequently asked questions about the above mentioned topics.

We hope the information contained herein will be useful. Any suggestions that you might have for subsequent editions of this booklet are welcomed.

Sincerely,

Joyce Bigbee
Director

JB:dj

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**TOTAL APPROPRIATIONS
FOR FY 2006-2007**

**General Fund Budget
and Separate Bills**

Millions

State General Fund	\$1,651.8
Earmarked State Funds and Federal and Local Funds (includes transfers from other agencies)	<u>\$9,265.1</u>
Total Appropriations	<u>\$10,916.9</u>

**Education Trust Fund Budget
and Separate Bills**

Education Trust Fund	\$6,015.9
Earmarked State Funds and Federal and Local Funds	\$5,366.9
Total Appropriations	<u>\$11,382.8</u>
GRAND TOTAL ALL APPROPRIATIONS	<u><u>\$22,299.7</u></u>

**BONDED INDEBTEDNESS
AS OF SEPTEMBER 30, 2005
G.O. AND REVENUE BONDS
OUTSTANDING DEBT**

	<u>Principal Amount</u>	<u>Debt Per Capita</u>
General Obligation Bonds	\$507,502,812	\$111
Revenue Bonds	<u>3,857,420,400</u>	<u>846</u>
Total Outstanding Debt	\$4,364,923,212	\$957

**ANNUAL DEBT SERVICE
ON G.O. DEBT OUTSTANDING
AS OF SEPTEMBER 30, 2005**

FY Ending 9/30	Total G.O. Bond Debt Service
2006	\$74,562,124
2007	\$77,395,169
2008	\$56,513,796
2009	\$36,439,886
2010	\$36,476,149
2011 – thereafter	\$414,551,551

**ANNUAL DEBT SERVICE
ON ALL BONDS
OUTSTANDING AS OF SEPTEMBER 30, 2005**

FY Ending 9/30	Total Debt Service
2006	\$525,423,915
2007	\$444,093,709
2008	\$424,211,258
2009	\$396,511,790
2010	\$370,999,715
2011 – thereafter	\$4,637,960,008

PRORATION

Amendment No. 26 to the Alabama Constitution, 1901 provides that no warrants shall be drawn on the State Treasury unless sufficient revenues are available. In such instances, any expenditure from any funds that have insufficient revenue shall be prorated so that only available revenues are expended.

The most recent occurrences of proration in the Education Trust Fund and General Fund are listed below.

EDUCATION TRUST FUND PRORATION

<u>Fiscal Year</u>	<u>% Amount</u>
1978-79	3.0%
1979-80	6.1%
1980-81	3.6%
1985-86	4.2%
1990-91	6.5%
1991-92	3.0%
2000-01	6.2%
2002-03*	4.4%

GENERAL FUND PRORATION

<u>Fiscal Year</u>	<u>% Amount</u>
1982-83	15.0%
1985-86	3.0%
1990-91	2.6%
1991-92	5.5%
1992-93	3.2%

Percents are rounded to nearest tenth of a percent.

*In FY 2002-03, \$179,993,229 was transferred to the Education Trust Fund from the Education Trust Fund Rainy Day Account in order to offset proration for state education agencies.

**ESTIMATED COST OF A TEACHER UNIT
FY 2006-07**

Salary Matrix for FY 2006-07

Years Experience	Degree Level				
	<u>BS</u>	<u>MS</u>	<u>6 Year</u>	<u>Doctor</u>	<u>No Degree</u>
Exp < 3	33,737	38,796	41,834	44,870	33,737
3 < exp < 6	37,109	42,675	46,015	49,356	37,109
6 < exp < 9	38,734	44,544	48,042	51,515	38,734
9 < exp < 12	39,253	45,142	48,675	52,208	39,253
12 < exp < 15	39,967	45,960	49,559	53,156	39,967
15 < exp < 18	40,878	47,010	50,689	54,366	40,878
18 < exp < 21	41,406	47,616	51,343	55,070	41,406
21 < exp < 24	41,934	48,226	51,999	55,774	41,934
24 < exp < 27	42,434	48,726	52,499	56,274	42,434
27 > exp	42,934	49,226	52,999	56,774	42,934

Average Salary (2006-07) \$43,171

Fringe Benefits

FICA and Medicare @ 7.65%	3,303
TRS @ 9.36%	4,041
PEEHIB @ \$717 per month	8,604
Unemployment Compensation @ 0.125%	54
Leave 7 days @ \$40 per day	280

Classroom Instructional Support

Student Materials	525
Technology	350
Professional Development	90
Library Enhancement	200
Common Purchase	200

Other Current Expense 15,217

TOTAL		\$76,035
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Cost of Living Salary Increases

	State Employees	Teachers
1988-89	7.5%	7.5%
1989-90	0.0%	0.0%
1990-91	7.5%	8.0%
1991-92	0.0%	0.0%
1992-93	0.0%	0.0%
1993-94	0.0% *	6.5%
1994-95	8.0%	8.5%
1995-96	0.0%	0.0%
1996-97	0.0%	4.0%
1997-98	0.0%	0.0%
1998-99	8.0%	8.5%
1999-00	0.0%	0.0%
2000-01	2.0%	1%-5.5% (depending upon experience)
2001-02	2.0%	0.0%
2002-03	3.0%	3.0%
2003-04	0.0%	0.0%
2004-05	0.0%	0.0%
2005-06	6.0%	6.0%
2006-07	5.0%	5.0%

* State employees received a one-time \$1,250 bonus in lieu of a salary increase.

**ESTIMATED COSTS FOR SALARY INCREASES FOR
TEACHERS AND SUPPORT PERSONNEL IN K-12
FISCAL YEARS 1995-2007**

FISCAL YEAR	PERCENT INCREASE		ESTIMATED COST TO ETF
1995	8.5%		124.0 million
1996	0%		
1997	4%		86.3 million
1998	0%		
1999	8.5%		184.8 million
2000	0%		
2001	1%-5.5%	(Depending upon experience)	114.4 million
2002	0%		
2003	3%		80.0 million
2004	0%		
2005	0%		
2006	6%		184.8 million
2007	5%		175.9 million

**ESTIMATED COSTS FOR SALARY INCREASES FOR
STATE EMPLOYEES
FISCAL YEARS 1995-2007**

FISCAL YEAR	PERCENT INCREASE	TOTAL COST	ADDITIONAL AMOUNT APPROPRIATED FROM GENERAL FUND
1995	8%	94.0 million	32.0 million
1996	0%		
1997	0%		
1998	0%		
1999	8%	96.0 million	9.3 million*
2000	0%		
2001	2%	24.4 million	4.25 million**
2002	2%	24.4 million	0.00
2003	3%	40.5 million	13.0 million
2004	0%		
2005	0%		
2006	6%	86.1 million	30.0 million
2007	5%	77.9 million	26.7 million

*Remainder paid from retirement contribution savings and other agency funds.

**Represents one-half the State General Fund cost of the pay raise.

RETIREMENT SYSTEM CONTRIBUTION RATES

Employer Contribution Rates:

	<u>Teachers</u>	<u>State Employees</u>	<u>State Police</u>	<u>Judges</u>
FY 1980	13.73%	10.23%	21.01%	38.85%
FY 1981	13.73%	10.13%	20.91%	44.00%
FY 1982	12.50%	10.13%	20.91%	44.00%
FY 1983	11.98%	7.83%	15.95%	39.80%
FY 1984	9.25%	7.59%	15.95%	39.80%
FY 1985	9.75%	7.59%	15.95%	39.80%
FY 1986	7.57%	6.55%	12.89%	35.70%
FY 1987	7.57%	7.10%	13.44%	35.70%
FY 1988	7.57%	7.10%	15.69%	35.70%
FY 1989	7.57%	7.10%	13.44%	37.58%
FY 1990	7.57%	7.10%	13.44%	27.00%
FY 1991	7.57%	7.12%	13.46%	27.00%
FY 1992	6.35%	6.02%	12.59%	27.00%
FY 1993	6.35%	6.00%	12.59%	28.70%
FY 1994	6.31%	6.00%	14.23%	27.01%
FY 1995	6.31%	6.99%	15.22%	27.01%
FY 1996	9.23%	6.99%	15.22%	23.05%
FY 1997	9.23%	6.99%	15.17%	19.71%
FY 1998	9.66%	7.56%	15.74%	19.71%
FY 1999	4.03%	3.11%	6.85%	9.16%
FY 2000	6.38%	4.08%	9.45%	21.19%
FY 2001	6.38%	4.08%	9.45%	21.19%
FY 2002	5.96%	3.95%	9.24%	21.19%
FY 2003	5.02%	3.95%	9.24%	21.19%
FY 2004	6.56%	4.19%	13.87%	21.93%
FY 2005	7.03%	5.57%	18.03%	21.93%
FY 2006	8.17%	6.77%	21.36%	21.93%
FY 2007	9.36%	7.78%	24.12%	22.50%
FY 2008	11.06%	9.84%	30.00%	23.05%

Note: The FY 2008 rates have not been finally approved and are subject to change by the Boards of Control of the Retirement Systems.

Employee Contribution Rates:

5%	Teachers, State Employees (except state police and certified law enforcement, correctional officers and firemen)
10%	State Police
6%	Judges and certified law enforcement, correctional officers, and firemen

Note: Employee contribution rates are set by statute.

HISTORY OF EMPLOYER COST FOR RETIREMENT SYSTEMS

FY	TRS (1)	ERS (2)	JRF (3)
1991	248,442,003	61,270,340	5,120,533
1992	233,507,746	53,628,567	5,979,485
1993	235,429,461	54,506,267	6,859,219
1994	245,783,913	56,265,932	6,280,387
1995	289,703,296	69,619,376	6,854,217
1996	284,615,456	68,802,114	6,494,717
1997	328,195,083	68,911,987	5,866,165
1998	355,953,472	74,055,482	5,397,838
* 1999	182,895,065	33,428,569	2,969,304
2000	267,906,340	43,442,959	5,582,715
2001	280,051,290	49,144,145	7,531,949
2002	266,510,671	46,053,625	8,200,383
2003	238,725,494	48,522,435	8,627,322
2004	305,887,402	52,218,449	8,982,290
2005	343,724,774	68,739,801	8,946,381
2006	432,837,000	91,220,000	9,228,000
2007	505,799,000	106,745,000	9,580,000

(1) Teachers' Retirement System- **total** cost. Since FY 1996 a small portion of the employer contribution shown above has been paid from funds other than the ETF.

(2) Employees' Retirement System- **total** cost.

(3) Judicial Retirement Fund- **total** cost.

* The Retirement System changed from book to market value for assets in FY 1999, resulting in a lowering of the employer rate/contributions most significantly in FY 1999, but which also affected employer contributions each year thereafter to a lesser degree.

Note: FY 2006 amounts shown are the budgeted amounts. The amounts shown for FY 2007 are estimated amounts.

**STATE EMPLOYEES' HEALTH INSURANCE PLAN (SEHIP)
MONTHLY RATES**

Fiscal Year	Employer Cost Per Active Employee	Active Employee Cost for Dependent Coverage
1988-89	177.50	128.00
1989-90	195.00	141.00
1990-91	195.00	141.00
1991-92	195.00	141.00
1992-93	211.00	152.00
1993-94	243.00	164.00
1994-95	255.00	164.00
1995-96	255.00	164.00
1996-97	255.00	164.00
1997-98	255.00	164.00
1998-99	320.00	164.00
1999-00	357.00	164.00
2000-01	400.00	164.00
2001-02	445.00	164.00
2002-03	490.00	164.00
2003-04	550.00 (1)	164.00
2004-05	650.00	164.00
2005-06	668.00 (2)	164.00
2006-07	717.00	180.00

Note: The full cost of individual coverage for active employees is paid by the employer (no employee contribution). However, beginning in FY 2006, the rates shown for individual and dependent coverage are subject to an additional employee-paid amount (\$20 per month per person in FY 2006, increased to \$22 for FY 2007) unless an employee with individual coverage or with a spouse covered as a dependent declares that they and the covered spouse have not used tobacco products within the last 12 months.

(1) A one month credit of \$250 reduced the effective monthly employer cost per active employee for the fiscal year to \$529.17.

(2) A one month credit of \$216 reduced the effective monthly employer cost per active employee for the fiscal year to \$650.

**PUBLIC EDUCATION EMPLOYEES' HEALTH INSURANCE PLAN
(PEEHIP) - MONTHLY RATES**

Fiscal Year	Employer Cost Per Active Employee	Active Employee Contribution for Individual Coverage	Active Employee Cost for Dependent Coverage
1983-84	N/A	17.00	75.00
1984-85	N/A	30.75	106.50
1985-86	N/A	10.00	110.00
1986-87	N/A	2.00	93.00
1987-88	N/A	2.00	93.00
1988-89	N/A	2.00	93.00
1989-90	N/A	2.00	122.00
1990-91	N/A	2.00	122.00
1991-92	N/A	2.00	122.00
1992-93	N/A	2.00	122.00
1993-94	N/A	2.00	122.00
1994-95	N/A	2.00	122.00
1995-96	210.50	2.00	122.00
1996-97	165.00	2.00	122.00
1997-98	200.00	2.00	122.00
1998-99	225.00	2.00	122.00
1999-00	317.00	2.00	122.00
2000-01	345.00	2.00	132.00
2001-02	414.00	2.00	132.00
2002-03	433.00	2.00	132.00
2003-04	479.00	2.00	132.00
2004-05	583.00	2.00	132.00
2005-06	668.00	2.00	132.00
2006-07	717.00	2.00	132.00

Note: Prior to Fiscal Year 1995-96, PEEHIP received a direct appropriation from the ASETF; therefore, there was no "Employer Cost for Active Employees" for those fiscal years. The rates shown for individual and dependent coverage beginning with FY 2006 are after application of the tobacco user discount (\$20 per month per person effective FY 2006). Unless an employee with employer paid individual coverage or with a spouse covered as a dependent declares that they and the covered spouse have not used tobacco products within the last 12 months, the additional monthly amount must be paid by the employee.

**HISTORY OF EMPLOYER COST FOR
TEACHERS' AND STATE EMPLOYEES' HEALTH INSURANCE**

FY	PEEHIP (1)	SEHIP (2)
1991	129,405,630	88,637,596
1992	162,763,300	88,735,693
1993	237,911,040	97,165,197
1994	237,911,040	103,629,524
1995	117,500,000	117,989,175
1996	214,606,434	115,667,901
1997	180,450,600	112,947,717
1998	271,768,000	91,502,406
1999	317,273,000	131,585,762
2000	373,727,784	148,115,489
2001	404,200,620	169,112,747
2002	481,170,672	193,682,768
2003	509,244,372	217,474,419
2004	566,126,268	227,042,877
2005	698,704,512	276,662,054
2006	800,574,000	275,636,160
2007	859,299,000	311,591,808

(1) Public Education Employees' Health Insurance Plan. For FY 1984 through FY 1995 PEEHIP received an appropriation from the ETF. Since FY 1996 premiums have been paid directly by employers based on a premium rate set in the ETF budget act. A small portion of these premiums are paid from funds other than the ETF. The amounts shown above reflect total cost.

(2) State Employees' Health Insurance Plan- total cost.

Note: FY 2006 amounts shown are the budgeted amounts. The amounts shown for FY 2007 are estimated amounts.

ABC BOARD

CASH DISTRIBUTION OF REVENUES IN FY 2004-2005

State General Fund	\$79,815,646
Mental Health	11,405,767
Human Resources	40,335,828
Education Trust Fund	28,336,096
Local Governments	<u>13,499,512</u>
TOTAL	\$173,392,849

Pricing of a \$10 Bottle of Liquor Sold in ABC Stores

Cost of bottle – plus delivery	\$10.00
30% mark-up	3.00
56% state liquor tax	7.28
6% sales tax (4% state, 2% local)	<u>1.22</u>
TOTAL RETAIL PRICE	\$21.50

Appropriation to ABC Board for operating expenses
(FY 2007) \$64,049,132

Licenses Issued (FY 2005)

Restaurant and lounge liquor	2,698
Club liquor	456
Retail beer	5,231
Retail table wine	3,262
Wholesaler	59
Other	<u>2,684</u>
TOTAL	14,390

AGRICULTURE AND INDUSTRIES

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	12,894,230	37.70%
Agriculture Funds	17,710,984	51.79%
TOTAL STATE FUNDS	30,605,214	89.49%
FEDERAL & LOCAL	3,594,016	10.51%
TOTAL APPROPRIATION	34,199,230	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Department of Agriculture and Industries provides inspection and grading services to the agriculture industry in the state, issues various agricultural permits and licenses, and performs lab and diagnostic services related to agricultural commodities.

	<u>Farms</u> <u>(1,000)</u>		<u>Acreage</u> <u>(mil.)</u>		<u>Average</u> <u>(Acre Per Farm)</u>	
	<u>2000</u>	<u>2003</u>	<u>2000</u>	<u>2003</u>	<u>2000</u>	<u>2003</u>
US	2,167	2,127	945	939	436	441
AL	47	45	9	9	191	198

	<u>Total value of land & buildings</u> <u>(bil. \$)</u>		<u>Mkt value of ag products sold & gov payments</u> <u>(mil. \$)</u>	<u>Total number of operators</u> <u>(1,000)</u>
	<u>1997</u>	<u>2002</u>	<u>2002</u>	<u>2002</u>
US	921.6	1,144.9	207,192	3,115
AL	14.1	15.1	3,343	63

Source: 2004-05 Statistical Abstract of the U.S.

Agriculture and Industries Continued:

	<u>2005 Acres Harvested</u>	<u>2005 Production</u>
Cotton	550,000	848,000 bales
Hay	730,000	1,971 thousand tons
Peanuts	225,000	306,625 tons
Soybeans	145,000	4.8 million bushels
Wheat	45,000	2,250 thousand bushels
Corn (grain)	200,000	23.8 million bushels

Source: Alabama Agricultural Statistics, 2005.

		<u>Farm Income</u> (mil. \$)					
		2001			2002		
	<u>Total</u>	<u>Crops</u>	<u>Livestock Products</u>	<u>Total</u>	<u>Crops</u>	<u>Livestock Products</u>	
US	199,779	93,366	106,413	192,948	99,468	93,480	
AL	3,448	632	2,816	2,962	584	2,378	

Source: 2004-05 Statistical Abstract of the U.S.

ARCHIVES AND HISTORY

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	1,777,371	33.27%
Education Trust Fund	3,214,072	60.16%
Other	351,000	6.57%
TOTAL STATE FUNDS	5,342,443	100.00%
FEDERAL & LOCAL	0	0.00%
TOTAL APPROPRIATION	5,342,443	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Alabama Department of Archives and History was founded in 1901 and was the first State Department of Archives and History in the United States (33 years before the establishment of the National Archives).

The Museum of Archives and History reported 26,324 visitors and 444 school tours with approximately 19,010 students for FY 2004-2005. The Resources Management function of the Department includes ensuring the preservation of and access to the historical records of state government, assistance in the preservation of historical local government records and the collection of non-governmental records and artifacts that help document Alabama history.

ATTORNEY GENERAL

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	10,120,248	59.06%
General Fund – Consumer Protection	619,988	3.62%
General Fund – Consumer Utility Rate Hearing	255,735	1.49%
TOTAL STATE FUNDS	10,995,971	64.17%
FEDERAL & LOCAL	2,045,918	11.94%
MISCELLANEOUS	4,093,315	23.89%
TOTAL APPROPRIATION	17,135,204	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006. This amount does not include the \$1,260,000 conditional appropriation from the State General Fund.

The Office of the Attorney General represents the State, its officers and agents and their employees, either directly or through an appointed official, in all legal matters affecting the operation of the state's agencies and departments and municipalities. The Office also issues opinions on statutes and questions of law and may investigate and prosecute all civil actions and other proceedings necessary to protect the rights and interests of the state and of the consuming public of the state in consumer utility rate hearings.

The Office of the Attorney General is made up of the following divisions:

Administrative Services	General Civil and Administrative Law
Administrative Hearings	Investigations
Capital Litigation	Medicaid Fraud/Welfare Fraud
Constitutional Defense	Opinions
Consumer Affairs	Public Corruption and White Collar Crimes
Criminal Appeals	Victim Assistance
Environmental	Violent Crimes
Executive	

Attorney General Continued:

Selected types and number of cases worked on and/or presented in court for FY 2004-2005 are as follows:

Consumer complaints received	3,001
Consumer complaints resolved	2,227
Savings to consumers	\$432,019
Medicaid Fraud (investigations)	207
Medicaid Fraud (indictments)	8
Medicaid Fraud (recoveries)	\$7,758,863
Welfare Fraud (indictments)	258
Welfare Fraud (convictions)	97
Amount of welfare fraud restitution	\$1,133,144
Victim's hotline calls	1,157

Section 36-15-3 of the Code of Alabama provides that the salary of the Attorney General shall be equal to the salary of an Associate Justice of the Supreme Court of Alabama. The Investment In Justice Act of 1999 (Act 99-427) provides for the base state salary of Associate Justices and for additional compensation based on bench experience. The Attorney General is paid the minimum base salary of an Associate Justice (\$152,027), plus an additional \$1,900.34 (1.25% of the base salary) for each year of experience. Although Section 118 of the Constitution of Alabama provides that the compensation of the Attorney General shall not be increased or diminished during a term, this increase is given each year on the anniversary date of the Attorney General assuming that office.

CHILDREN'S AFFAIRS

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	454,392	8.97%
Education Trust Fund	4,436,986	87.58%
TOTAL STATE FUNDS	4,891,378	96.55%
FEDERAL & LOCAL	175,000	3.45%
TOTAL APPROPRIATION	5,066,378	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Department of Children's Affairs was created to act as a coordinator for state and local agencies to ensure that services are maximized for the benefit of Alabama's children 19 years of age and younger. Specific responsibilities include:

- Assist Alabama Children's Policy Council.
- Enhance pre-kindergarten programs through the Office of School Readiness.
- Create a database that will have all services that are available to children and families in Alabama.
- Host special seminars and programs.

CONSERVATION AND NATURAL RESOURCES

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Conservation Funds*	88,543,807	80.34%
TOTAL STATE FUNDS	88,543,807	80.34%
FEDERAL & LOCAL	21,662,000	19.66%
TOTAL APPROPRIATION	110,205,807	100.00%

*Appropriation amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Department of Conservation and Natural Resources scope of operations includes the administration, management and maintenance of 23 state parks; 23 public fishing lakes; 3 fish hatcheries; 31 wildlife management areas; 50,000 acres of trust lands managed for the benefit of several agencies; 600,000 acres of state-owned submerged lands managed for the benefit of the State General Fund and Alabama Trust Fund. The Department provides boating and public safety for over one million acres of recreational and commercial waterways in the state; implements the Coastal Area Management Program; and manages the 6,000 acres and on-site facilities of the Weeks Bay National Estuarine Research Reserve.

PERFORMANCE INDICATORS	FY 2004-2005
Number of acres in 23 operational state parks	48,541
State park overall guest count	2,699,658
State park overnight guest count	816,549
Wildlife and Freshwater Fisheries Program arrests	5,112
Hunter safety students	6,943
Number of deer harvested on management areas	4,430
Number of fish stocked in public waters	5,254,674
Number of fish stocked in farm ponds	655,104
Number of fish kills investigated	380
Boats registered	266,628
Boating accidents investigated	78
Coastal permit reviews	306

CORRECTIONS

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	319,182,715	85.45%
Agricultural Fund	4,164,490	1.11%
Corrections Industries-Other Fund	20,263,228	5.42%
Drug Demand Reduction	1,525,424	0.41%
Departmental Receipts	12,485,172	3.34%
Alabama Capital Improvement Trust Fund Transfer	2,146,125	0.57%
TOTAL STATE FUNDS	359,767,154	96.31%
DOC MISCELLANEOUS & FEDERAL	13,766,577	3.69%
TOTAL APPROPRIATION	373,533,731	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006. This amount does not include the \$10,000,000 conditional appropriation from the State General Fund.

Prison population totaled 27,687 as of the end of September 2005 (including institutions, work release, work centers, supervised intensive restitution, and state prisoners in county jails and in other locations).

September 2005 Inmate Population by Sex and Race

	<u>Male</u>	<u>Female</u>
White	10,051 (36.3%)	1,172 (4.2%)
Black	15,636 (56.5%)	776 (2.8%)
Other	50 (0.2%)	2 (0.0%)

September 2005 Occupancy Rates

Major institutions	199.1%
Work release	139.0%
Work centers	165.5%
Average time served by inmates Separated in September 2005	36.1 months
% of inmate population with previous AL incarceration as of September 2005	58.0%

Corrections Continued:

September 2005 Occupancy Rates Continued

FY 2005 average annual maintenance cost per inmate	\$13,020
Death row inmates as of the end of September 2005	189
Total inmate population sentenced under Habitual Offender Act as of September 2005	8,417 (30.4%)
Life without parole	561 (6.7% of habitual offenders)

Sentencing Ranges for Non-Habitual Offenders (excluding enhancements):

	Misdemeanor	Felony
Class C	Up to three (3) months imprisonment in the county jail, or a fine not to exceed \$500, or both	Not less than one (1) year and one (1) day and not more than ten (10) years imprisonment in the state penitentiary, and may include a fine not to exceed \$15,000.
Class B	Up to six (6) months imprisonment in the county jail, or a fine up to \$1,000, or both	Not less than two (2) years and not more than twenty (20) years imprisonment in the state penitentiary, and may include a fine not to exceed \$30,000.
Class A	Up to one (1) year imprisonment in the county jail, or a fine up to \$2,000 or both	Not less than ten (10) years and not more than ninety-nine (99) years or life imprisonment in the state penitentiary and may include a fine not to exceed \$60,000.

Sentencing Ranges Under Habitual Offender:

Section 13A-5-9(a)

Criminal defendant previously convicted of a felony and commits another felony.

Conviction	Mandatory Punishment
Class C felony <ul style="list-style-type: none">One year, one day to ten yearsfine up to \$15,000	Class B felony <ul style="list-style-type: none">Two to 20 yearsfine up to \$30,000
Class B felony <ul style="list-style-type: none">Two to 20 yearsfine up to \$30,000	Class A felony <ul style="list-style-type: none">Ten to 99 yearsfine up to \$60,000
Class A felony <ul style="list-style-type: none">Ten to 99 yearsfine up to \$60,000	<ul style="list-style-type: none">Imprisonment for life or for any term of not more than 99 years but not less than 15 yearsfine up to \$60,000

Corrections Continued:

Section 13A-5-9(b)

Criminal defendant previously convicted of any **two** felonies and commits another felony.

Conviction	Mandatory Punishment
Class C felony <ul style="list-style-type: none">One year, one day to ten yearsfine up to \$15,000	Class A felony <ul style="list-style-type: none">Ten to 99 yearsfine up to \$60,000
Class B felony <ul style="list-style-type: none">Two to 20 yearsfine up to \$30,000	<ul style="list-style-type: none">Imprisonment for life or for any term of not more than 99 years but not less than 15 yearsfine up to \$60,000
Class A felony <ul style="list-style-type: none">Ten to 99 yearsfine up to \$60,000	<ul style="list-style-type: none">Imprisonment for life or any term of not less than 99 yearsfine up to \$60,000

Section 13A-5-9(c)

Criminal defendant previously convicted of any **three** felonies and commits another felony.

Conviction	Mandatory Punishment
Class C felony <ul style="list-style-type: none">One year, one day to ten yearsfine up to \$15,000	<ul style="list-style-type: none">Imprisonment for life or for any term of not more than 99 years but not less than 15 yearsfine up to \$60,000
Class B felony <ul style="list-style-type: none">Two to 20 yearsfine up to \$30,000	<ul style="list-style-type: none">Imprisonment for life or any term of not less than 99 yearsfine up to \$60,000
Class A felony <ul style="list-style-type: none">Ten to 99 yearsfine up to \$60,000	<ul style="list-style-type: none">Where the defendant has no prior convictions for any Class A felony, he or she must be punished by imprisonment for life or life without the possibility of parole, in the discretion of the trial court.
	<ul style="list-style-type: none">Where the defendant has one or more prior convictions for any Class A felony, he or she must be punished by imprisonment for life without the possibility of parole.

Split sentencing is provided by Section 15-18-8 of the Code of Alabama as an option available to judges to impose upon persons convicted of an offense who are sentenced to 20 years or less, except that persons convicted of a criminal sex offense involving a child which constitutes a Class A or B felony are not eligible for split sentencing.

The options and guidelines for split sentencing are as follows.

1. If the defendant's sentence does not exceed 15 years, the defendant may be confined for a period not to exceed three years and then the remainder of the sentence is suspended and the defendant is placed on probation for the amount of

Corrections Continued:

time specified by the court. If the defendant's sentence does not exceed 20 years but is more than 15 years, the defendant may be confined for a period not to exceed five years but not less than three years, and then the remainder of the sentence is suspended and the defendant is placed on probation for the amount of time specified by the court.

2. The defendant may be confined in Department of Corrections disciplinary, rehabilitation camp program for at least 90 days but not more than 180 days. The Commissioner or a designee is to report to the sentencing court whether or not the defendant completed the program. Upon receipt of the report, the sentencing court may suspend the sentence and place the defendant on probation or confine the defendant to an institution for not more than three years and the remainder of the sentence shall be suspended and the defendant placed on probation. Persons convicted certain offenses are not eligible for this program.

No defendant serving a minimum period of confinement under split sentencing shall be eligible for parole or for deductions from the sentence under the Alabama Correctional Incentive Time ("Good Time") Act.

INSTITUTE FOR DEAF AND BLIND

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Education Trust Fund*		
Adult Programs	10,512,827	13.48%
Children and Youth	28,729,949	36.85%
Industries for the Blind	8,322,116	10.67%
Ear Institute Program	125,000	0.16%
TOTAL STATE FUNDS	47,689,892	61.17%
FEDERAL & LOCAL	30,274,337	38.83%
TOTAL APPROPRIATION	77,964,229	100.00%

*This does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Alabama Institute for Deaf and Blind (AIDB) is a comprehensive education and rehabilitation system serving children and adults who are deaf, blind and multi-disabled. Established in 1858, AIDB is funded through three major divisions: Children and Youth Programs, Adult Programs and the Industries for the Blind. AIDB provides services statewide through regional centers located in Auburn, Birmingham, Dothan, Huntsville, Montgomery, Mobile, Tuscumbia, Tuscaloosa and campus programs including residential services located in Talladega.

Regional Centers services span a lifetime including home and community programs for infants, toddlers, children, adults, and seniors. Accredited residential campus programs serve children ages three through 21 through the Alabama School for the Deaf, Alabama School for the Blind and the Helen Keller School of Alabama. The Gentry campus coordinates postsecondary rehabilitation and employment training for deaf and blind adults. AIDB is supported by appropriations from the Education Trust Fund, income from sales of blind-made products and other sources such as federal grants, private gifts and grants.

During 2005 AIDB served more than 12,400 individuals across Alabama including 540 children at campus programs; 904 children through early intervention; 1,748 children through technical assistance and extended services; 748 adults through the Gentry campus, 3,945 seniors and another 4,534 adults through library and regional center programs.

ALABAMA DEVELOPMENT OFFICE

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund	3,739,332	91.44%
Departmental Receipts	350,000	8.56%
TOTAL STATE FUNDS	4,089,332	100.00%
FEDERAL & LOCAL	0	0.00%
TOTAL APPROPRIATION	4,089,332	100.00%

The Alabama Development Office (ADO) aids in the recruitment of new industry, supports existing industry expansion, and promotes trade with other nations. ADO has an Administrative Division along with an Industrial Development Program and the Alabama Film Office. The Industrial Development Program includes the following divisions: (1) Industrial Recruitment, (2) Research and Communications, and (3) International Trade. The Development Office maintains an overseas office jointly with Troy University in Heidelberg, Germany.

PERFORMANCE INDICATORS	FY 2004-2005
Industrial announcements	45
News releases written	24
Foreign trips	6
Company contacts	4,347
Alabama Film Office	
Out-of-state visits (existing projects)	2
Out-of-state contacts (future projects)	1,246

DISTRICT ATTORNEYS

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	34,168,114	100.00%
TOTAL STATE FUNDS	34,168,114	100.00%
FEDERAL & LOCAL	0	0.00%
TOTAL APPROPRIATION**	34,168,114	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

**District Attorneys also receive county general fund money and other local funds that are not included in the General Appropriations Act.

District Attorneys are elected for six-year terms in each of the 41 judicial circuits (and the Bessemer Division of the 10th Circuit).

Section 12-17-182 of the Code of Alabama provides that district attorneys shall be paid by the state \$1,000 less than the salary paid by the state to circuit judges. The Investment In Justice Act of 1999 (Act 99-427), which provided for additional state compensation for judges for bench experience, also provided that all district attorneys be paid a state salary equal to \$1,000 less than the salary paid by the state to a circuit judge with the maximum amount of state compensation. District attorneys are paid a state salary of \$138,967.

Supernumerary district attorneys are paid a state salary of \$104,475 (\$500 less than 75% of the state salary of a circuit judge with maximum state compensation).

District attorneys do not make contributions from their salary to a retirement (or equivalent) fund. A supernumerary district attorney's salary and health insurance are paid like that of a district attorney – that is from the State General Fund appropriation to the district attorneys. The state does not pay retirement or FICA on supernumerary salaries.

ECONOMIC AND COMMUNITY AFFAIRS

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	15,440,931	7.03%
TOTAL STATE FUNDS	15,440,931	7.03%
FEDERAL & LOCAL	177,737,954	80.96%
OTHER**	26,364,773	12.01%
TOTAL APPROPRIATION	219,543,658	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006. In addition to this appropriation, the Department could receive an additional \$1,000,000, conditional to be used for legal fees and associated costs related to interstate water disputes between Alabama, Florida, Georgia, and the Federal Government.

**Includes interest from investments, administrative fees from surplus property, sales receipts from data processing and graphic arts services and internal transfers of federal funds from the various programs for administration.

The Alabama Department of Economic and Community Affairs (ADECA) was established in 1983 to administer federal and state programs to help communities attract industry, create jobs, provide resources to underprivileged citizens, and aid law enforcement efforts. ADECA also plans and administers the state's energy, technology, and water resources programs and programs of the Appalachian Regional Commission and the Delta Regional Authority within the state. The Department operates through the following functional divisions:

Administrative Division: Provides fiscal management, audits and reviews ADECA grant recipients, property management, personnel, and other duties that provide support for entire department.

Communications Division: Provides public information and public relations service on behalf of the director of ADECA. Produces publications and speeches for director and oversees special projects.

ADECA Continued:

Community and Economic Development Division: Administers infrastructure grant programs, economic development programs, planning programs, and programs that assist the state's low income populations. Programs include the Community Development Block Grant from the U.S. Department of Housing and Urban Development and the Community Services Block Grant Program from the U.S. Department of Health and Human Services.

Law Enforcement and Traffic Safety Division: Provides planning, coordination, and development of federal victims' service, law enforcement, and non-construction highway traffic safety programs.

Office of Water Resources: Provides planning, coordinating, development, and management of the state's ground and surface water resources.

Science, Technology, and Energy Division: Provides for the development of science and technology and the management of state energy and coastal resources to ensure economic prosperity for the state.

Surplus Property Division: Distributes and sells state agency excess property and surplus federal property.

Office of Workforce Development: Provides coordination of the Workforce Investment Act (WIA) and other federal grant programs for the state. The division is the administrative entity for Alabama Service Delivery Area (ASDA) that represents all counties except Jefferson and Mobile Counties. The division through the ASDA and the Jefferson and Mobile County service delivery areas provide management and funding of WIA programs. The Workforce Investment Act (1998) replaced the Job Training Partnership Act (JTPA) and related federal programs in the year 2000.

EDUCATION – DEPARTMENT OF

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Education Trust Fund	177,771,584	14.97%
Education Trust Fund-Transfer	2,214,759	0.19%
TOTAL STATE FUNDS	179,986,343	15.16%
FEDERAL & LOCAL	1,007,549,984	84.84%
TOTAL APPROPRIATION	1,187,536,327	100.00%

The State Department of Education executes educational policies for the schools of the state as authorized by law and determined by the State Board of Education and allocates funds to local education agencies based on state law, school board regulations, and federal laws. Technical assistance and other services that are not instructional (i.e., training and research) are also provided to the local systems. In addition, the Department is responsible for administering the accountability program passed by the Legislature in 1995, including financial and academic intervention at the local level. The Department is also responsible for administering the disability determination program under an agreement with the Social Security Administration and the U.S. Department of Health and Human Services.

EDUCATION – K-12 FOUNDATION PROGRAM/LOCAL BOARDS

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Education Trust Fund	3,775,163,578	87.25%
Public School Fund (est.)	130,532,864	3.01%
TOTAL STATE FUNDS	3,905,696,442	90.26%
FEDERAL AND LOCAL	421,286,927	9.74%
TOTAL APPROPRIATION	4,326,983,369	100.00%

Foundation Program
(including \$40,196,137 for current units) \$3,763,938,498

Salary Matrix Adjustment 20,857,964

Transportation Program 316,697,013

At-Risk Student Program 30,828,405

Board of Adjustment 562,800

Endowment Interest Program/Public School Fund 532,864

Capital Outlay Program/Public School Fund 130,000,000

School Nurses Program 26,637,596

Capital Outlay Program/Federal and Local Funds 32,217,207

Technology Coordinators 4,711,022

Total Appropriation \$4,326,983,369

For the Salary Matrix and the estimated cost of a teacher unit for FY 2006-07
see page 4.

Fringe Benefit Rates

Teachers' Retirement System 9.36%

FICA (Social Security) 7.65%

PEEHIP \$717 per month

Funding Divisors	Grades K - 3	:	13.8
	Grades 4 - 6	:	21.4
	Grades 7 - 8	:	20.4
	Grades 9 - 12	:	18.0

Education-Foundation Program/Local Boards Continued:**Classroom Instructional Support Factors (2006-07)**

Student materials	\$525.00	Per teacher unit
Textbooks	\$67.50	Per pupil
Technology	\$350.00	Per teacher unit
Professional development	\$90.00	Per teacher unit
Library enhancement	\$200.00	Per teacher unit
Common purchase	\$200.00	Per teacher unit
Other current expense	\$15,217.00	Per teacher unit
Mills of District Ad Valorem Tax equivalents required		10.00

Statewide Value of One Mill (2005-06)	\$38,906,972
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Total Number of Teacher and Instructional Support Units Appropriated	48,315.30
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Local Boards of Education

Number of local school boards	131
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Average daily membership K-12 Fall of 2005-06 school year	742,976.80
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Number of classroom teachers Fall of 2005-06 school year	48,733
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Pupil-Teacher ratio	15.25
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Total certificated personnel Fall of 2005-06 school year	56,988
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Pupil-certificated staff ratio	13.04
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Total support personnel Fall of 2005-06 school year	36,526
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EDUCATIONAL TELEVISION COMMISSION

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Education Trust Fund	8,884,209	86.48%
TOTAL STATE FUNDS	8,884,209	86.48%
FEDERAL & LOCAL	1,389,517	13.52%
TOTAL APPROPRIATION	10,273,726	100.00%

The Alabama Educational Television Commission was organized to make the benefits of educational television available to the citizens of Alabama. The Commission was established in 1953. The Commission controls and supervises the use of television channels assigned for non-commercial, educational use and the programming released over such channels. The Commission is also authorized to own and operate public radio stations within the state.

The Commission is the Federal Communications Commission licensee for nine public television stations and one public radio station. The Commission has total responsibility for the statewide Alabama Public Television Network and for WLRH-FM in Huntsville. The Commission surveys, studies, and appraises the need for an overall plan to make educational television facilities and services available to the state. In addition, the Commission provides financial support for educational telecourses and other public radio stations in Alabama.

The Commission, as mandated by the Federal Communications Commission, has converted the nine public television stations from analog to digital signals. For FY 2005-06, the Commission operated 9 analog transmitters and 9 digital transmitters for approximately 8,448 broadcast hours each.

ENVIRONMENTAL MANAGEMENT

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	5,722,441	6.04%
Other Funds	46,955,671	49.60%
TOTAL STATE FUNDS	52,678,112	55.64%
FEDERAL & LOCAL	41,996,494	44.36%
TOTAL APPROPRIATION	94,674,606	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Department of Environmental Management regulates pollutants discharged into the air, on land, and into the water and administers grant programs designed to help municipalities and industries in the management of a healthy environment.

PERFORMANCE INDICATORS	FY 2004-2005
Permits issued (all)	7,327
Facilities observed/inspected	25,992
Administrative orders	127
Administrative penalties	\$1.38 million
Complaints investigated	1,690
Emergency responses	406
Air monitoring stations maintained	233
Water monitoring stations maintained	1,057
Well drillers licensed	135
Wastewater operator certificates issued	1,098
Lab samples collected	9,368

The Department administers the Alabama Land Recycling and Economic Redevelopment Act (Act 2001-635) providing for the voluntary assessment and/or cleanup of potentially contaminated property. The Department is responsible for renewing all cleanup plans and activities to ensure they meet or exceed the requirements of environmental regulations and guidelines. The act complements the federal Brownfield program, which has similar goals. In FY 2005, 159 sites completed assessments and cleanup with most returning to productive use.

The Department oversees the Clean Water SRF, providing low interest loans to publicly owned water treatment works in order to help meet the goals of the Clean Water Act.

Environmental Management Continued:

The federal government, through the EPA, provides annual grant money which states are required to match at an 80:20 ratio in order to receive the full allotment of federal funds for the program. Since the inception of the Clean Water SRF in 1987 (loans first funded in 1989), 178 loans totaling over \$809 million have been funded.

In addition, the Department oversees the Drinking Water SRF, providing low interest loans to improve and/or upgrade publicly owned drinking water systems in order to help meet the goals of the Safe Drinking Water Act. The program is funded in the same manner as the Clean Water SRF. Since the inception of the Drinking Water SRF in 1997 (loans first funded in 1998), 91 loans totaling over \$248 million have been funded.

The Department also administers the state's underground and aboveground storage tank regulatory program funded by tank and regulatory fees and tank charges imposed upon tank owners/operators.

The Department began official administration and enforcement of the Alabama Scrap Tire Environmental Quality Act (Act 2003-332) effective October 1, 2004. The law uniformly regulates scrap tire accumulations statewide from the point of generation to the point of disposal by establishing a registration program for scrap tire receivers and a permitting system for scrap tire processors and transporters. Additionally, the Department develops a ranking system used for prioritized abatement and remediation actions for the estimated 800 illegal scrap tire dumps. Such remedial activities are funded by a \$1 fee collected at the point of sale from consumers purchasing replacement tires.

FORESTRY COMMISSION

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	12,993,769	44.35%
Forestry Funds	8,010,392	27.34%
TOTAL STATE FUNDS	21,004,161	71.69%
FEDERAL & LOCAL	8,292,308	28.31%
TOTAL APPROPRIATION	29,296,469	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Forestry Commission coordinates and administers the enhancement and protection of Alabama's forests through landowner assistance programs, urban forestry, reforestation, forestry assistance programs, and by assisting in training and acquiring equipment for volunteer fire departments in the state.

PERFORMANCE INDICATORS	FY 2004-2005
Acres wildfires suppressed	30,261
Number of wildfires suppressed	1,960
Acres of prescribed burns (AFC)	19,872
Miles of permanent firebreaks constructed	668
Number TREASURE forests certified	52
Acres TREASURE forests certified	29,277
Number TREASURE forests management plans	323
Acres in TREASURE forests management plans	44,004
New landowners assisted	2,941

HIGHER EDUCATION, ALABAMA COMMISSION ON

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Education Trust Fund		
Planning and Coordination	2,734,090	13.72%
Student Financial Aid	5,303,172	26.61%
Support of Other Educational Activities	2,487,926	12.49%
Alabama Agricultural Land Grant Alliance	6,500,000	32.62%
TOTAL STATE FUNDS	17,025,188	85.44%
FEDERAL & LOCAL	2,902,348	14.56%
TOTAL APPROPRIATION	19,927,536	100.00%

The Alabama Commission on Higher Education serves in an advisory capacity to the Legislature and the Governor in respect to postsecondary education matters and administers student financial aid programs. The Commission's activities are divided into five appropriation units as follows:

A. Planning and Coordination Services Program
(FY 07 - \$2,734,090 ETF)

1. The development of Unified Budget Recommendations;
2. The review of all new and existing programs in instruction, research, and public service, and the enforcement of viability standards for programs;
3. The development and maintenance of the State College, University, and Faculty Information System;
4. The coordination of statewide higher education special studies and long range planning projects; and
5. The review of new facilities and new construction projects.

B. Student Financial Assistance Program
(FY 07 - \$5,303,172 ETF; \$6,168,460 total)

Higher Education Continued:

1. Alabama National Guard Educational Assistance Program - provides tuition assistance to guardsmen to pursue undergraduate and, to a limited extent, graduate degrees. (FY 2005 – 712 awards, \$626 average award, total \$445,673) (FY 07 - \$675,143 ETF);
 2. Alabama Student Assistance Program - state supported grant program designed to assist financially needy students. (FY 2005 – 1,495 awards, \$483 average award, total \$722,500) (FY 07 - \$1,721,558 ETF);
 3. Alabama Student Grant Program - provides assistance for residents enrolled in independent, non-profit Alabama Colleges and Universities. (FY 2005 – 7,891 awards, \$193 average award, total \$1,523,613) (FY 07 - \$2,769,471 ETF); and
 4. Police Officers/Firefighters Survivor's Education Assistance Program - provides assistance for undergraduate study for dependents and spouses of police officers and firefighters killed, or totally disabled, in the line of duty. (FY 2005 – 25 awards, \$4,665 average award, total \$116,627) (FY 07 - \$137,000 ETF).
- C. Support of Other Educational Activities Program
(FY 07 - \$2,487,926 ETF; \$3,987,926 total)
1. Southern Regional Education Board - includes funding for Minority Doctoral Scholars Program, Academic Common Market and various other scholarships (FY 07 - \$716,271 ETF);
 2. Statewide Computer-Based Articulation System – provides for the development and operation of a statewide general studies curriculum articulation system (FY 07 - \$450,000 ETF);
 3. Experimental Program to Stimulate Competitive Research (EPSCOR) - merit based programs sponsored by the state and various other entities to enhance the science and engineering research, education and technology capabilities of Alabama (FY 07 - \$1,000,000 ETF); and
 4. Network of Alabama Academic Libraries (NAAL) - coordinates the sharing of Library resources supporting graduate education and research (FY 07 - \$321,655 ETF).
- D. Alabama Guaranteed Student Loan Program
(servicing existing debt only) (No ETF Appropriations; \$537,060 total)
- E. Alabama Agricultural Land Grant Alliance Program
(FY 07 - \$6,500,000 ETF)

HIGHER EDUCATION SENIOR INSTITUTIONS

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Education Trust Fund	1,211,820,193	26.90%
TOTAL STATE FUNDS	1,211,820,193	26.90%
FEDERAL & LOCAL		
(includes tuition and fees)	3,293,883,061	73.10%
TOTAL APPROPRIATION	4,505,703,254	100.00%

FY 2006-07 Appropriations by Institution

<u>Senior Institution</u>	<u>ETF</u>	<u>Federal & Local</u>	<u>Total</u>
Alabama A&M University			
O&M	38,452,521	38,230,492	76,683,013
Other	5,571,572	41,706,141	47,277,713
Total	44,024,093	79,936,633	123,960,726
Alabama A&M / Miles College			
Total	353,252		353,252
Alabama State University			
O&M	40,729,042	37,842,326	78,571,368
Other	1,842,383	39,367,921	41,210,304
Total	42,571,425	77,210,247	119,781,672
University of Alabama System			
UA O&M	171,299,493	174,301,742	345,601,235
UAB O&M	306,529,308	1,136,189,531	1,442,718,839
UAH O&M	50,675,495	42,687,718	93,363,213
Special Mental Health-UAB	4,132,177		4,132,177
Other		620,304,822	620,304,822
Total	532,636,473	1,973,483,813	2,506,120,286
Auburn University System			
AU O&M	188,563,780	234,881,992	423,445,772
AAES O&M	34,730,026	4,563,242	39,293,268
ACES O&M	37,515,680		37,515,680
AUM O&M	27,210,846	22,874,932	50,085,778
Other		173,307,158	173,307,158
Total	288,020,332	435,627,324	723,647,656

Senior Institutions Continued:

FY 2006-07 Appropriations by Institution

<u>Senior Institution</u>	<u>ETF</u>	<u>Federal & Local</u>	<u>Total</u>
Athens State University			
O&M	13,463,281	9,732,682	23,195,963
Other		12,660,812	12,660,812
Total	13,463,281	22,393,494	35,856,775
Jacksonville State University			
O&M	42,714,403	42,041,813	84,756,216
Other		24,635,000	24,635,000
Total	42,714,403	66,676,813	109,391,216
University of Montevallo			
O&M	20,928,835	15,703,712	36,632,547
Other		9,714,311	9,714,311
Total	20,928,835	25,418,023	46,346,858
University of North Alabama			
O&M	29,783,495	27,160,367	56,943,862
Other		9,088,467	9,088,467
Total	29,783,495	36,248,834	66,032,329
University of South Alabama			
O&M	120,388,263	341,326,072	461,714,335
Other		67,899,675	67,899,675
Total	120,388,263	409,225,747	529,614,010
Troy University			
O&M	52,067,717	139,443,149	191,510,866
Other		16,696,686	16,696,686
Total	52,067,717	156,139,835	208,207,552
University of West Alabama			
O&M	14,364,841	8,013,521	22,378,362
Other		3,508,777	3,508,777
Total	14,364,841	11,522,298	25,887,139
Knight v. Alabama			
Total	10,503,783		10,503,783
Grand Total	1,211,820,193	3,293,883,061	4,505,703,254

Federal & Local funds includes Tuition and Fees.

Other appropriations includes Auxiliary Enterprises and Restricted Funds.

HIGHER EDUCATION TWO-YEAR COLLEGE SYSTEM

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Education Trust Fund		
Operation and Maintenance	341,743,610	40.79%
Prison Education	8,004,930	0.96%
Postsecondary Education		
Department	4,834,547	0.58%
C.I.T.Y. Programs	5,135,174	0.61%
Adult Education Programs	16,428,598	1.96%
Special Populations Training	5,150,000	0.61%
Mine Safety Training Program	250,000	0.03%
TOTAL STATE FUNDS	381,546,859	45.54%
FEDERAL & LOCAL (includes tuition and fees)	456,345,115	54.46%
TOTAL APPROPRIATION	837,891,974	100.00%

Institutions	Base O & M FY 2006-07	July 10, 2006	
		Additional O&M Allocation FY 2006-07	Prison Education FY 2006-07
Alabama Southern	7,258,559	951,859	
Bevill	17,998,131	1,911,704	
Bishop	15,882,084	1,829,943	
Calhoun	18,701,170	2,740,516	915,165
Central Alabama	8,227,502	1,037,885	
Chattahoochee	5,368,248	837,034	
Jefferson Davis	5,349,273	1,084,959	1,185,898
Drake	4,025,699	995,053	
Enterprise-Ozark	9,155,133	1,583,023	
Faulkner	9,595,780	1,417,240	
Gadsden	24,498,545	2,565,658	743,370
Ingram	3,284,128	1,014,787	3,755,758
Jefferson State	20,870,013	2,139,976	
Lawson	15,676,123	2,480,654	624,567
L. B. Wallace	7,685,943	1,234,069	

Higher Education – Two-Year College System Continued:

Institutions	Base O & M FY 2006-07	July 10, 2006 Additional O&M Allocation FY 2006-07	Prison Education FY 2006-07
Marion Military Institute		10,785,000	
Northeast	6,021,775	897,656	
Northwest-Shoals	11,978,700	1,559,496	
Reid	4,561,946	1,033,805	
Shelton	18,176,960	2,633,965	
Snead	5,800,396	865,153	
Southern Union	13,678,926	1,856,846	
Trenholm	10,694,145	1,664,056	
Wallace-Dothan	15,756,253	1,998,108	780,172
Wallace-Hanceville	15,353,463	1,957,399	
Wallace-Selma	8,988,839	1,072,032	
Alabama Technology Network		5,500,000	
AIDT Institute		1,000,000	
TOTAL	284,587,734	56,647,876	8,004,930

HISTORICAL COMMISSION

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	3,732,532	53.51%
Other Departmental Receipts	2,131,630	30.56%
TOTAL STATE FUNDS	5,864,162	84.07%
FEDERAL & LOCAL	1,111,141	15.93%
TOTAL APPROPRIATION	6,975,303	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Historical Commission surveys and maintains inventory of all sites and structures over 50 years old, nominates to the National Register the most important sites and structures while including significant sites on the Alabama Register, maintains environmental review and compliance program where federal funds are involved, reviews and certifies tax act projects, processes grants, promotes historic preservation, manages Main Street Downtown Revitalization programs and maintains historic properties owned by the Commission.

Visitors to properties maintained by the Historical Commission during FY 2004-2005:

Gaineswood	1,345
Fendall Hall	3,393
Confederate Park	30,581
Magnolia Grove	1,197
Fort Toulouse/Jackson	64,972
Fort Morgan	49,137
Belle Mont	1,671
Cahawba	30,879
State Capitol	125,457
Pond Spring	337

HUMAN RESOURCES

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	100,740,044	7.32%
Education Trust Fund	15,489,100	1.13%
Other	119,538,824	8.69%
TOTAL STATE FUNDS	235,767,968	17.14%
FEDERAL & LOCAL	1,140,139,843	82.86%
TOTAL APPROPRIATION	1,375,907,811	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Department of Human Resources (DHR) was created in 1935 as the principal social service agency in the state.

Selected Department Statistics **FY 2004-2005**

Temporary Assistance to Needy Families - (TANF)	
families served (monthly average)	20,488
Adoption services – children placed	329
Child care for children – number of slots	27,699
Food assistance – households - (monthly average)	216,417
Value of food stamps - (monthly average per household)	\$234.27

Average Monthly Payments (as of September 2005)

TANF per case	\$192.14
Child care – payment per child	\$242.30
Foster Care Board – payment per child	\$346.22

INDUSTRIAL RELATIONS

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	1,118,218	1.23%
TOTAL STATE FUNDS	1,118,218	1.23%
FEDERAL & LOCAL	90,125,614	98.77%
TOTAL APPROPRIATION	91,243,832	100.00%

*In addition to \$500,000 conditioned upon the availability of funds the Department could receive an additional \$1,000,000 from the State General Fund conditioned upon the employment of qualified mine safety inspectors and another \$1,000,000 further conditioned upon the employment of coal mine inspectors.

The Department of Industrial Relations is responsible for administering Employment Service, Unemployment Compensation and Worker's Compensation, Small Business Assistance, Mine Safety, Surface Mine and Reclamation. Under the Wagner-Peyser Act, the Employment Service Division provides statewide public labor exchange activities for people seeking jobs and individuals who are eligible to receive unemployment compensation. Industrial Relations also oversees the reclamation of land and water resources adversely affected by past coal mining and enforces safety requirements of state mining laws.

PERFORMANCE INDICATORS	FY 2004-2005
Unemployment Compensation	
Initial claims	264,037
Gross benefits paid	\$229,308,888
Unemployment Tax Contributions	
Number of employers	87,748
Balance of U.C. Trust Fund (as of 12/31/05)	\$369,070,220
Employment Service	
Number of job applicants	280,380
Number of placements	41,920
Workers' Compensation Program	
Total compensation payments recorded	\$666,406,580
Maximum weekly compensation payable	\$629**
Minimum weekly compensation payable	\$173**
Mining and Reclamation	
Number of coal and non-coal mines inspected	880
Number of mining sites reclaimed	27

**Denotes actual number for calendar year 2005.

INSURANCE DEPARTMENT

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Fire Marshal's Fund	1,083,188	6.15%
Examination Revolving Fund	6,218,530	35.28%
Insurance Department Fund	10,261,235	58.22%
Service Contract Fund	63,393	0.36%
TOTAL APPROPRIATION	17,626,346	100.00%

The Insurance Department is the regulatory agency for insurers operating in Alabama. Responsibilities include examination and licensing of agents and collection of the insurance premium tax.

During FY 2004-2005 receipts from the insurance premium tax were distributed as follows: \$234,829,494 to the State General Fund; \$30,993,296 to the Education Trust Fund; \$4,525,338 to the Mental Health Trust Fund; and \$1,096,109 to the Insurance Department Fund.

- Domestic and foreign property/casualty insurers pay premium taxes at the rate of 3.6% of premiums from business done in the state except: (1) property and multi-perial insurance written in fire protection classes 9 and 10 and mobile homes, homeowners and low value dwelling policies in a face value of \$40,000 or less are taxed at a rate of 1%; and (2) medical liability insurers are taxed at a rate of 1.6%; tax payments are reduced for certain economic development activities pursued in Alabama.
- Domestic and foreign life insurers pay premium taxes at a rate of 2.3% except: (1) individual life insurance policies in a face amount greater than \$5,000 and up to and including \$25,000 are taxed at 1%; (2) individual life insurance policies in face value of \$5,000 or less are taxed at 0.5%; and (3) annuity considerations are not taxed.
- Domestic and foreign health and accident and health insurers pay premium taxes at a rate of 1.6% except: (1) premiums for hospital, medical, surgical or other health care benefits provided for employer sponsored groups with less than 50 participants are taxed at 0.5%; and (2) premiums for insurance benefits supplementary to Medicare and Medicaid are not taxed.
- Surplus line brokers pay premium taxes at a rate of 6% on direct premiums, less return premiums and sums collected to cover state or federal taxes, on surplus line insurance transacted during the preceding calendar year, computed only on the proportion of premiums allocable to risk or exposure located in Alabama.

Insurance Department Continued:

- Upon the enactment of SB 305 of the 2006 Regular Session (Act 2006-509, sponsored by Senator Bradley Byrne), the Department now regulates captive insurance companies, whose premiums are taxed, depending upon the amount of premiums written, at a rate ranging from .025% to .4%, with a minimum annual tax of \$5,000.
- The calculated premium tax for all insurers is subject to credit or deduction of the full amount, with 25% of the full amount allowed at each quarterly premium tax due date for the payment of other state and local taxes or fees.

MEDICAID

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	398,072,869	9.05%
Departmental Receipts and Intragovernmental Transfers	246,117,433	5.60%
Alabama Health Care Trust	58,372,000	1.33%
Public Hospitals Transfers	506,516,676	11.52%
Other	159,406,421	3.62
TOTAL STATE FUNDS	1,368,485,399	31.12%
FEDERAL & LOCAL	3,028,569,344	68.88%
TOTAL APPROPRIATION	4,397,054,743	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Alabama Medicaid Agency is the sole state agency having responsibility for administering Title XIX of the Social Security Act. Title XIX provides for certain medical services for low-income persons who are categorically eligible. The Medicaid program is funded with federal funds, which must be matched by state funds at a ratio of 68.85:31.15 in fiscal year 2007.

Medicaid provides no direct services but provides allowable reimbursement for covered services to those providing medical services to Medicaid eligible persons. Persons must fit into one of several categories and meet certain criteria before being determined Medicaid eligible. Eligibles include:

- Persons receiving SSI.
- Persons receiving assistance through certain programs administered by the Department of Human Resources.
- Certain pregnant women and children, including those with incomes below 133% of poverty (commonly referred to as SOBRA), and foster children in the custody of the state.
- Certain residents of medical facilities (nursing homes, hospitals, or state owned mental illness facilities).
- Some low-income Medicare beneficiaries may qualify to have their premiums, deductibles, and buy-ins paid by Medicaid (referred to as Qualified Medicare Beneficiaries or QMB's).

Medicaid Continued:

	Actual FY 2005	Estimated FY 2006
Claims (for selected programs):		
Nursing Home Care:		
Number of claims	280,616	285,364
Hospital Care:		
In-patient claims	151,718	158,215
Out-patient claims	2,499,528	2,727,571
Pharmaceutical:		
Prescriptions	11,612,819	8,634,027
Physician Care:		
Physician care visits	4,976,984	5,277,876
Health Support:		
Eye exams	315,728	330,320
Eye glasses	233,029	233,448
Child screenings	637,543	681,244

Notes:

1. Actual numbers are number of paid claims from DSS.
2. Estimated numbers are the first three quarters of FY 2006, annualized.
3. Estimated claims for pharmacy are based on one quarter pre-Part D implementation and two quarters post implementation.
4. Percent increase in claims is not representative of projected percent increase in expenditures.

MENTAL HEALTH AND MENTAL RETARDATION

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	131,495,264	18.47%
Education Trust Fund	30,754,595	4.38%
Special Mental Health Trust Fund	153,106,880	21.82%
Other	13,926,610	1.99%
TOTAL STATE FUNDS	329,283,349	46.93%
FEDERAL & LOCAL	372,370,115	53.07%
TOTAL APPROPRIATION	701,653,464	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Department of Mental Health and Mental Retardation is the State's designated agency to provide services to those individuals with mental illness, mental retardation, and/or substance abuse disorders. The Department operates psychiatric hospitals and a developmental center. Services in local communities are offered through contracts with over 400 community providers.

PERFORMANCE INDICATORS FY 2004-2005

Mental Illness:

Number of hospitals	7
Total bed capacity	1,015
Number of patients served in the community	136,263
Number of community health centers with at least one year certification	26

Mental Retardation:

Number of people served	14,420
Average daily expenditure per person	\$41.86
Number served from waiting list	293
Number of providers achieving two-year certification	52

Substance Abuse (SA) Treatment Program:

Number of patients served in the treatment program	27,233
Number of patients served in the prevention program	168,750
Average annual cost per patient in SA treatment	\$954.72
Average annual cost per patient for SA prevention	\$41.48
Number of counties that offer SA services	24

MILITARY DEPARTMENT AND ARMORY COMMISSION

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	2,763,804	4.11%
General Fund-Transfer to Armory Commission	1,464,698	2.18%
Other Funds	1,402,300	2.09%
TOTAL STATE FUNDS	5,630,802	8.37%
FEDERAL & LOCAL	61,614,181	91.63%
TOTAL APPROPRIATION	67,244,983	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006. The Department also was granted a \$1.2 million conditional appropriation from the State General Fund to fund the Youth Challenge Program.

Approximately \$32.5 million of the federal and local funds will be used to fund the construction of three joint-use armories located in Birmingham, Haleyville, and Anniston.

The Military Department and Armory Commission provide guidance, policy directives and direction that support preparation of Alabama National Guard Units for duty in both their Federal and state missions.

Mobilized military personnel total (includes members of Alabama-based military units mobilized as of June 2006, per the U.S. Department of Defense):

164 Air National Guard/Air Force Reserves

2,491 Army National Guard/Army Reserves

116 Navy Reserves

Total Mobilized Force = 2,771 (does not include personnel from three mobilized Alabama-based marine corps reserve units as their individual personnel totals are unavailable).

As of September 30, 2005, Alabama had:

203 Army National Guard Units

40 Air National Guard Units

At least one unit in 62 counties

Total Troop Force = 13,640

Since September 11, 2001, more than 10,000 Alabama Army and Air Guard personnel have been called to active duty.

OIL AND GAS BOARD

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	3,000,438	80.91%
Surety Bonds Deposits	20,000	0.54%
OGB Special Fund	688,083	18.55%
TOTAL STATE FUNDS	3,708,521	100.00%
FEDERAL & LOCAL	0	0.00%
TOTAL APPROPRIATION	3,708,521	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Oil and Gas Board is responsible for the management and regulation of oil and gas exploration and development including: field monitoring of all petroleum drilling and production activities; compiling, storing and disseminating exploration and production data; preparing petroleum geologic maps; conducting special geologic and engineering studies; water quality monitoring of oil and gas fields; and providing direct assistance to other state agencies and Alabama citizens in oil and gas matters.

Alabama Totals	FY 2004-2005
Barrels of oil produced	5.01 million
Barrels of condensate	2.78 million
Natural gas production (cubic ft.)	322.80 billion
Wells permitted	567
Oil and Gas Severance Tax collections	\$132,299,978

PARDONS AND PAROLES

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	31,588,832	76.06%
Probationer's Upkeep Fund	9,895,000	23.82%
TOTAL STATE FUNDS	41,483,832	99.88%
FEDERAL & LOCAL	50,000	0.12%
TOTAL APPROPRIATION	41,533,832	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006. This amount does not include the \$1,500,000 conditional appropriation from the State General Fund.

PERFORMANCE INDICATORS	FY 2004-2005
Parole consideration interviews	8,657
Paroles granted	2,190
Paroles denied	6,467
Parole violation hearings	1,397
Probation cases supervised	47,403
Parole cases supervised	7,554
Probation and parole cases supervised for other states	2,082
Probation and parole investigations completed	49,965
Pardons and/or restoration of civil and political rights granted	469
Streamlined Voting Rights	1,233
Number of field offices in state (including the two transition centers)	64

PUBLIC HEALTH

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	69,548,442	11.86%
Education Trust Fund	14,050,785	2.40%
Other	177,160,933	30.20%
TOTAL STATE FUNDS	260,760,160	44.46%
FEDERAL & LOCAL	325,754,943	55.54%
TOTAL APPROPRIATION	586,515,103	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Department of Public Health is responsible for controlling disease, providing medical services and enforcing public health laws.

PERFORMANCE INDICATORS	FY 2004-2005
Family planning visits	143,231
Maternity patient visits	26,590
WIC participants	97,525
STD visits	22,434
Food service inspections	63,136

Children's Health Insurance Program (CHIP):

CHIP provides child health insurance coverage to Alabama's uninsured children using allocated state funds to access federal dollars from the Children's Health Insurance Program (CHIP). Phase I of Alabama's CHIP expanded Alabama Medicaid coverage to children ages 14 to 19 years with household income below 100% of the federal poverty level (FPL). Phase II provides health insurance to children above the Medicaid levels (133% of the FPL for ages 0 to 6 years and 100% of the FPL for children 6 to 19 years). Phase III, called ALL KIDS, is a private insurance product provided under contract with private insurance companies.

PERFORMANCE INDICATORS	Actual FY 2004-2005
CHIP enrollment	63,594

PUBLIC LIBRARY SERVICE

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Education Trust Fund	11,863,834	82.35%
TOTAL STATE FUNDS	11,863,834	82.35%
FEDERAL & LOCAL	2,542,642	17.65%
TOTAL APPROPRIATION	14,406,476	100.00%

The Alabama Public Library Service was established to develop a cooperative system of providing books and library services for the various municipalities and counties of the state. In addition, the Service is responsible for receiving and administering federal funds that are provided for libraries; provides job-related library service to state government employees and agencies; and serves as a regional library for the handicapped. In addition, the Library Service is the fiscal agent for the Alabama Virtual Library Project and sponsors the homeworkalabama.org website.

Fiscal Year	Total Appropriation Public Library Service	Amount Earmarked for State Aid to Local Libraries	Per Capita State Aid
01-02	\$9,929,721	\$4,558,687 [^]	\$1.010
02-03 prorated	9,584,940	4,450,635 ^{^^}	0.989
03-04	8,989,053	4,155,122 ^{^^^}	0.930
04-05	9,985,447	4,141,608	0.923
05-06	10,954,314	4,725,608	1.050

[^] FY 2001-02 included \$10,000 for the Triana Public Library and \$46,900 for library construction grant program.

^{^^} FY 2002-03 included \$9,500 for the Triana Public Library and \$44,555 for library construction grant program.

^{^^^} FY 2003-04 included \$2,375 for the Triana Public Library and \$11,139 for library construction grant program.

PUBLIC SAFETY

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	60,034,725	38.41%
ABI Fund	200,000	0.13%
AFIS** Fund	7,500,000	4.80%
Highway Traffic Safety Fund	28,000,000	17.91%
Motor Vehicle Replacement Fund	1,750,000	1.12%
Public Road and Bridge Fund	3,500,000	2.24%
Transfer from Public Road and Bridge Fund	18,077,997	11.57
TOTAL STATE FUNDS	119,062,722	76.17%
FEDERAL & LOCAL	37,247,475	23.83%
TOTAL APPROPRIATION	156,310,197	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

**Automated Fingerprint Identification System (AFIS).

The Department of Public Safety consists of the following Divisions: Administrative, Alabama Bureau of Investigation (ABI), Driver License, Highway Patrol, Support Services, and Protective Services.

PERFORMANCE INDICATORS	FY 2004-2005
Stolen vehicles recovered	34
Arrest tickets issued	238,324
Warning tickets issued	130,503
Polygraph exams conducted	338
Accidents investigated	35,936
Motorists assisted	25,266
Commercial vehicles inspected	20,830
Investigations conducted	1,112
Number of persons arrested	516
Overweight truck arrests	11,929
Marijuana plants seized or destroyed	73,954

PUBLIC SERVICE COMMISSION

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Departmental Receipts	11,000	0.08%
Gas Pipeline Safety Funds	1,111,204	7.63%
Public Service Commission Funds	13,043,601	89.55%
TOTAL STATE FUNDS	14,165,805	97.25%
FEDERAL & LOCAL	400,000	2.75%
TOTAL APPROPRIATION	14,565,805	100.00%

The Public Service Commission (PSC) regulates transportation and utility companies to ensure that services performed, facilities available and rates charged are equitable. The PSC does not regulate municipal and cooperative utilities. The PSC has an Administrative Service Program and a Regulatory Services Program that includes the following divisions: (1) Energy, (2) Telecommunications, (3) Transportation, and (4) Gas Pipeline Safety. The PSC participates in public hearings involving regulated companies and prepares orders for commission action. The PSC is currently studying the ramifications of electric utility deregulation within the state.

PERFORMANCE INDICATORS	FY 2004-2005
Investigation of consumer complaints	6,909
Draft commission orders	1,392

Inspections:

Power plants/gas systems	32
Telephone equipment	1,286
Gas safety	735
Railway track (miles)	1,065
Railway accidents	5
Units of rolling stock	7,632

RETIREMENT SYSTEMS

TEACHERS' RETIREMENT SYSTEM

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
Pension balance (est. assets)	\$15,795,124,603	88.96%
Employer cost	545,257,000	3.07%
Member contributions	304,403,000	1.72%
Investment income	<u>1,109,746,000</u>	<u>6.25%</u>
TOTAL	\$17,754,530,603	100.00%

As of 9/30/2005

Members	128,883
Retirees - includes DROP participants	59,726
See page 7 for employer contribution rate	

EMPLOYEES' RETIREMENT SYSTEM

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
Pension balance (est. assets)	\$7,497,181,139	88.70%
Local funds – employers'		
Contributions	145,566,000	1.72%
State agencies' employer		
Contributions	112,774,000	1.34%
Member contributions*	189,011,000	2.24%
Investment income	<u>507,433,000</u>	<u>6.00%</u>
TOTAL	\$8,451,965,139	100.00%

*Includes local employees.

As of 9/30/2005

Members – includes local employees	81,249
Retirees - includes DROP participants	31,514
See page 7 for employer contribution rate	

Retirement System Continued:

JUDICIAL RETIREMENT FUND

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
Pension balance (est. assets)	\$177,219,303	89.98%
State General Fund (for probate judges)	1,704,000	0.87%
State agencies' employer contributions	7,727,000	3.92%
Member contributions	2,371,000	1.20%
Investment income	<u>7,931,000</u>	<u>4.03%</u>
TOTAL	\$196,952,303	100.00%

As of 9/30/2005

Members	332
Retirees and beneficiaries	274
See page 7 for employer contribution rate	

REVENUE

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund	363,690	0.33%
Revenue Administrative Fund	108,235,965	97.91%
TOTAL STATE FUNDS	108,599,655	98.24%
LOCAL FUNDS	1,950,000	1.76%
TOTAL APPROPRIATION	110,549,655	100.00%

The Department of Revenue collected a total of \$7,621,933,156 for the state government for the fiscal year ending September 30, 2005. A portion of this collection is appropriated from the Revenue Administrative Fund for the operation of the Department.

SECURITIES COMMISSION

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Industrial Revenue Bond Notification Fund	20,000	0.30%
Sale of Checks Fund	20,000	0.30%
Securities Commission Fund	5,098,737	76.80%
Securities Commission Fund- Transfer to State General Fund	1,500,000	22.60%
TOTAL STATE FUNDS	6,638,737	100.00%
FEDERAL & LOCAL	0	0.00%
TOTAL APPROPRIATION	6,638,737	100.00%

The Securities Commission is responsible for the enforcement of laws governing the issuance, sale and other transactions relative to securities and the sale of checks and money orders. The Commission is funded from trust funds comprised of filing and application fees.

PERFORMANCE INDICATORS	FY 2004-2005
Broker/Dealer agents licensed	92,617
Restricted Agents/Issuer licensed	184
Securities Dealers licensed	1,690
Investment Advisors licensed	931
Investment Advisor Representatives licensed	3,588
Number of exemptions	7,358
Sale of checks licenses	68
Indictments obtained	17
Arrests made	17
Convictions obtained	8
Securities issued	31
Industrial Development Bond issues (IDB's)	13
Cases under review or investigation	388

SENIOR SERVICES

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund	5,862,004	6.54%
General Fund-Medicaid Waiver	8,651,741	9.65%
General Fund-SenioRX Alabama	2,001,521	2.23%
TOTAL STATE FUNDS	16,515,266	18.42%
FEDERAL & LOCAL	73,146,372	81.58%
TOTAL APPROPRIATION	89,661,638	100.00%

The Department of Senior Services, formerly the Commission on Aging, through grants and contracts with 13 Area Agencies on Aging, administers programs funded as a result of the Older American's Act of 1965. In addition, the Department administers one-half of the state's Medicaid Waiver Program - a home and community-based treatment program as an alternative to institutionalization for the state's older persons who are Medicaid eligible.

PERFORMANCE INDICATORS	FY 2004-2005
Older persons served (unduplicated)	72,277
Congregate meals served	2,271,601
Home delivered meals served	2,152,883
Transportation	2,162,254
Legal assistance	13,382

SenioRx	FY 2004-2005
Number of persons served	15,630
Prescriptions submitted	136,642
Savings to Alabama seniors	\$43 million

TOURISM AND TRAVEL

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund	1,105,000	9.57%
Lodgings Tax	10,441,580	90.43%
TOTAL STATE FUNDS	11,546,580	100.00%
FEDERAL & LOCAL	0	0.00%
TOTAL	11,546,580	100.00%

The Bureau of Tourism and Travel is responsible for the promotion of tourism in Alabama. The Bureau works with the Center for Business and Economic Development at Auburn University at Montgomery to study the economic impact of the tourism industry in the state.

PERFORMANCE INDICATORS	FY 2004-2005
Employment derived from tourist activity (full-time)	159,650 jobs
Income impact of tourist expenditures	\$3.2 billion
Tourism-generated tax revenue (state)	\$416 million
Tourism-generated tax revenue (local)	\$164 million
Estimated tourist expenditures	\$7.6 billion

Source: Center for Business and Economic Development at Auburn
University at Montgomery

TRANSPORTATION

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
Public Road and Bridge Fund	486,600,208	37.72%
Public Road and Bridge- Transfer to Public Safety	21,577,997	1.67%
Alabama Capital Improvement Trust Fund Transfer	18,077,997	1.40%
Airport Development Fund	31,182,661	2.42%
TOTAL STATE FUNDS	557,438,863	43.21%
FEDERAL & LOCAL	732,625,324	56.79%
TOTAL APPROPRIATION	1,290,064,187	100.00%

The State Public Road and Bridge Fund is comprised of Highway User Revenues including auto licenses; gasoline tax (16 cents per gallon); motor fuel tax (19 cents per gallon); truck identification decals; petroleum products inspection fees or motor fuel not subject to the motor fuel tax (2 cents per gallon); motor carrier mileage, taxes and fees; outdoor advertising permits; oversize, overweight permits; lubricating oil tax; liquefied petroleum licenses; and interest income from Alabama Highway Authority and Industrial Access Road and Bridge Authority bonds. Within the Department, the Federal Aid Construction Program administers all Federal Aid Highway Funds made available to the state.

The Airport Development Fund is comprised of revenue generated from the Aviation Fuel Tax, a portion of the fees collected from ALDOT's Interstate Motorist Logo Program and Federal Aviation Administration (FAA) grants that have been awarded to various airport authorities.

Transportation Continued:

US Department of Transportation: Federal Highway Administration
Summary of Estimated Highway Apportionments as Authorized by SAFETEA-LU
State of Alabama: FY 2007-FY 2009

Transportation Program	FY 2007	FY 2008	FY 2009	Grand Total
Interstate Maintenance	91,458,839	92,931,910	94,428,700	278,819,449
National Hwy. System	103,697,017	105,367,050	107,063,975	316,128,042
Surface Transportation Program	121,526,173	123,322,562	125,308,411	370,157,146
Bridge Replacement & Rehabilitation	70,905,312	72,047,390	73,207,858	216,160,560
Congestion Mitigation & Air Quality	8,499,317	8,636,175	8,775,237	25,910,729
Appalachian Development	29,235,269	29,235,269	29,235,269	87,705,807
Rec. Trails	1,575,260	1,681,466	1,787,673	5,044,399
Metropolitan Planning	2,839,654	2,884,796	2,930,666	8,655,116
Safety	22,380,381	22,817,304	23,261,263	68,458,948
Rail-Hwy. Crossings	4,412,211	4,409,492	4,409,492	13,231,195
Border Infrastructure	-	-	-	-
Safe Routes To School	1,552,872	1,920,686	2,401,698	5,875,256
High Priority Projects	55,067,440	55,067,440	55,067,440	165,202,320
Equity Bonus	219,475,579	238,263,203	238,249,523	695,988,305
Grand Total	732,625,324	758,584,745	766,127,206	2,257,337,275

SAFETEA-LU is the acronym for The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users. It authorizes the Federal surface transportation programs for highways, highway safety, and transit for the 5-year period 2005-2009 and was enacted on August 10, 2005. It is the successor to the previous highway funding authorization legislation enacted by Congress: The Transportation Equity Act for the 21st Century (TEA-21), which formally expired on September 30, 2003 and was enacted on June 9, 1998.

UNIFIED JUDICIAL SYSTEM

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	142,415,262	83.29%
Advanced Technology and Data Exchange Fund	4,050,272	2.37%
Court Automation Fund	3,511,988	2.05%
Court Referral Officer Fund	4,441,245	2.60%
Juvenile Probation Services Fund	5,360,827	3.14%
Capital Improvement Trust Fund Transfer	3,975,000	2.32%
TOTAL STATE FUNDS	163,754,594	95.77%
FEDERAL & LOCAL	7,238,243	4.23%
TOTAL APPROPRIATION	170,992,837	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

*Does not include Appellate Courts (Supreme Court, Court of Criminal Appeals, Court of Civil Appeals) nor Probate Courts. Includes Trial Courts and Administrative Office of Courts.

For FY 2007 the Unified Judicial System includes the following:

Supreme Court	9 Judges
Court of Criminal Appeals	5 Judges
Court of Civil Appeals	5 Judges
Circuit Court	144 Judges
District Court	103 Judges
Probate Court	68 Judges

The Supreme Court, the highest state court in Alabama, has the power to superintend and review any case tried, heard, or appealed in any other court in the state. The Court has exclusive jurisdiction in appeals in civil cases in which the amount in controversy exceeds \$50,000; appeals from decisions of the Alabama Public Service Commission involving utility rates; appeals from disciplinary actions taken by the Alabama State Bar; petitions seeking extraordinary relief; and petitions relating to administrative matters of the Alabama State Bar. The Court may transfer to the Court of Civil Appeals any civil case appealed and within the jurisdiction of the Supreme Court, except certain specified cases.

Unified Judicial System Continued:

The Court of Criminal Appeals has exclusive appellate jurisdiction over all appeals in criminal cases including violations of municipal ordinances, and all post-conviction writs.

The Court of Civil Appeals has original appellate jurisdiction in all civil appeals where the amount in controversy does not exceed \$50,000, all appeals from administrative agencies other than the Alabama Public Service Commission, all appeals in Workers' Compensation cases, and all appeals in domestic relations cases. The Supreme Court may transfer to the Court of Civil Appeals any civil case appealed to the Supreme Court, with certain exceptions.

The Circuit Courts are the State's trial courts of general jurisdiction which exercise both criminal and civil jurisdiction. The 67 counties in Alabama are divided into 41 judicial circuits (plus the 10th Circuit Bessemer Division) which are composed of one to five counties. The Circuit Court has exclusive original jurisdiction in civil cases in which the matter in controversy exceeds \$10,000; exclusive original jurisdiction of all felony prosecutions and/or misdemeanors or ordinance violations which are lesser included offenses within a felony charge (except the district court has concurrent jurisdiction with the Circuit Court to receive pleas of guilty in felony cases not punishable by death); original concurrent jurisdiction with the District Court in juvenile cases, and in all civil matters where the amount in controversy exceeds \$3,000 but does not exceed \$10,000.

The District Courts are the State's trial courts of limited jurisdiction. There is a District Court in each county. Sessions of court are held in each county seat and in each municipality of 1,000 or more population where no municipal court exists. District Courts have original civil jurisdiction, concurrent with the Circuit Court, in civil actions in which the matter in controversy does not exceed \$10,000 and civil actions based on unlawful detainer and in juvenile cases. They have exclusive original jurisdiction over all civil matters wherein the amount in controversy does not exceed \$3,000. Civil actions involving \$3,000 or less are heard by the small claims division of District Court. District Courts have exclusive original jurisdiction over prosecutions of all offenses defined by law or ordinance as misdemeanors, except prosecutions by municipalities having municipal courts. They have original jurisdiction concurrent with the Circuit Court to receive pleas of guilty in prosecution of felonies not punishable by death. They have exclusive original jurisdiction of misdemeanor prosecutions for traffic infractions, except ordinance infractions prosecuted in municipal court and DUI offenses committed by juveniles. They have concurrent jurisdiction with the Circuit Court in juvenile cases.

Unified Judicial System Continued:

The Investment In Justice Act of 1999 (Act 99-427) set the base state salary for state judges as follows:

Circuit Judges –

FY 2001 - the amount authorized under the state merit system pay plan on the effective date of the act (June 10, 1999) for an Attorney IV, step 14.

FY 2002 – the amount authorized under the state merit system pay plan on the effective date of the act for an Attorney IV, step 17.

FY 2003 and thereafter - \$1,000 more than the maximum paid an Attorney IV on the effective date of the act.

District Judges - \$1,000 less than circuit judges

Chief Justice - \$3,000 more than the highest total compensation, including salary supplements and expense allowances, of any circuit judge

Supreme Court Associate Justices - \$1,000 less than the Chief Justice

Civil/Criminal Appeals Presiding Judges - \$500 less than Associate Justices

Civil/Criminal Appeals Associate Judges - \$500 less than Presiding Judges

Act 99-427 also provided additional state compensation based on judges' bench experience, in the amount of 1.25% of the base state salary for each additional year of bench service, up to a maximum of 25%. However, Act 2004-636 froze bench experience compensation by providing that no judges have their salary additionally increased for bench experience after May 26, 2004. Act 2006-119 (SJR 33- the Report of the Judicial Compensation Commission made to the 2006 Regular Session of the Legislature) reinstated additional compensation for bench experience- but only for circuit and district judges, to be implemented October 1, 2006.

Act 99-427 also provided that local supplements and expense allowances of circuit and district judges be reduced by the amount of their state salary increases until the supplements are eliminated. The act also provided that judges first elected or appointed after October 1, 2001 shall not receive a local supplement or expense allowance.

Unified Judicial System Continued:

Judicial State Salaries Ranges (including bench experience) are:

Circuit Judges	\$111,973 - \$139,966
District Judges	\$110,973 - \$138,716
Chief Justice	\$153,027 - \$191,284
Associate Justices	\$152,027 - \$190,034
Appeals Courts Presiding Judges	\$151,527 - \$189,409
Appeals Courts Associate Judges	\$151,027 - \$188,784

The salary of Circuit and District Clerks is linked to the salary schedule of the Assistant Clerk of the Court of Criminal Appeals (except as provided for by Act 2000-611 which prohibited circuit clerks from receiving the 2% cost-of-living adjustment effective in fiscal years 2001 and 2002). For FY 2007, the salary range is \$64,502 to \$98,395 depending upon years of service, for those who take office for the first time on or after January 18, 1999. For those who were in office before January 18, 1999, the range is \$84,694 to \$98,395.

The salary of Official Court Reporters is \$49,288 for FY 2007.

VETERANS AFFAIRS

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund*	2,870,366	5.36%
Education Trust Fund	21,272,728	39.74%
Veterans' Assistance Fund	17,688,005	33.04%
TOTAL STATE FUNDS	41,831,099	78.14%
VETERAN'S HOME TRUST TRANSFER	11,703,045	21.86%
TOTAL APPROPRIATION	53,534,144	100.00%

*The General Fund amount does not include the amount appropriated for the 5% salary increase effective October 1, 2006.

The Department of Veterans Affairs assists 435,000 living veterans and their dependents throughout the state's 79 offices. The Department also administers the Alabama G.I. and Dependents Educational Benefit Act. As part of administering these acts, the Department receives an open-ended appropriation from the Education Trust Fund (ETF), pursuant to Section 31-6-15 of the Code of Alabama 1975. The Department is appropriated from the ETF an amount "as may be necessary" to reimburse Alabama educational institutions for educational benefits provided to qualified veterans.

PERFORMANCE INDICATORS	FY 2004-2005
Medical claims filed	8,034
Insurance claims filed	795
Educational claims filed (state and federal)	3,757
Original educational benefit certificates issued	1,637
Supplemental certificates issued	871

The Department of Veterans Affairs and the State Board of Veterans Affairs supervises the operations of the 150 bed Bill Nichols State Veterans Home in Alexander City, Alabama, the 150 bed William F. Green State Veterans Home in Bay Minette, Alabama and the 150 bed Floyd "Tut" Fan State Veterans Home in Huntsville, Alabama. These facilities are operated with state, patient and federal per diem funds.

	10-1-05 to 6-30-06	7-1-06 to 9-30-06	10-1-06 to 6-30-07
Daily housing rate	\$145.83	\$151.81	\$151.81
Federal per diem	(63.40)	(63.40)	(67.71)
State per diem	<u>(70.79)</u>	<u>(76.77)</u>	<u>(76.77)</u>
Out-of-pocket expense by veterans	\$11.64	\$11.64	\$7.33

YOUTH SERVICES

FY 2006-07 APPROPRIATION	TOTAL	% OF TOTAL
STATE FUNDS		
General Fund	17,204,464	21.61%
Education Trust Fund	53,403,655	67.08%
TOTAL STATE FUNDS	70,608,119	88.70%
FEDERAL & LOCAL	8,999,576	11.30%
TOTAL APPROPRIATION	79,607,695	100.00%

The Department of Youth Services (DYS) provides programs for the prevention of juvenile delinquency and the rehabilitation of delinquent youth. Programs include evaluation, detention, rehabilitation, and education.

Facilities include:

3 state operated institutional units	504 bed capacity
2 state operated boot camps	102 bed capacity
4 group homes	49 bed capacity
21 contracts with private facilities	501 bed capacity

3,157 youth were committed to DYS in FY 2005 for treatment and rehabilitation from approximately 50,628 cases referred to the Alabama Juvenile Court System.

The Department has budgeted operating expenses at \$141 per day (\$51,465 per year) at the traditional state operated training school institutions and \$115 per day (\$41,975 per year) at the group homes. The operating expense for DYS boot camp programs is \$128 per day (\$46,720 per year). Private placement costs range from \$77 to \$170 per day depending upon level of service.

In 2006, DYS estimated capital cost of \$138,000 per bed for construction of a new, freestanding secure facility (\$3.3 million for 24 beds) and capital cost of \$64,000 per bed for construction of additional dorms at existing facilities.